IMPERIAL BANK OF CANADA

SIXTY-FIFTH
ANNUAL REPORT
PRESENTED TO THE
SHAREHOLDERS
NOVEMBER 22nd
1939

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Imperial Bank of Canada

Head Office: Toronto

Established 1875

CAPITAL AUTHORIZED .	$10,000,000.00
CAPITAL PAID UP . . .	7,000,000.00
RESERVE FUND . . .	8,000,000.00

Sixty-Fifth Annual Report
1939

Imperial Bank of Canada

ESTABLISHED 1875

CAPITAL (AUTHORIZED) - - - - - - - -	$10,000,000.00
CAPITAL (PAID UP) - - - - - - - - -	7,000,000.00
RESERVE FUND - - - - - - - - - -	8,000,000.00

DIRECTORS

FRANK A. ROLPH, CHAIRMAN OF THE BOARD

A. E. PHIPPS, PRESIDENT

COL. J. F. MICHIE, VICE-PRESIDENT — R. S. WALDIE, VICE-PRESIDENT

G. C. HEINTZMAN — J. W. HOBBS — WALTER C. LAIDLAW — JOHN A. NORTHWAY

G. H. AIKINS, K.C. (Winnipeg) — H. E. SELLERS (Winnipeg)

R. O. McCULLOCH (Galt) — W. B. WOODS — ARTHUR L. BISHOP

E. E. BUCKERFIELD (Vancouver) — C. G. COCKSHUTT (Brantford)

HEAD OFFICE, TORONTO

H. T. JAFFRAY, GENERAL MANAGER

W. G. MORE, ASSISTANT GENERAL MANAGER

G. D. RITCHIE, ASSISTANT GENERAL MANAGER

W. BOURKE, SUPERINTENDENT OF WESTERN BRANCHES (Winnipeg)

P. H. JONES, SUPERINTENDENT OF EASTERN BRANCHES (Toronto)

H. D. SCOTT, SUPERINTENDENT OF FOREIGN BUSINESS

L. S. MACKERSY, ASST. SUPT. OF WESTERN BRANCHES (Winnipeg)

JOHN HADDEN, SECRETARY

H. F. RICE, MANAGER BOND DEPARTMENT

SUPERVISORS' DEPARTMENT

I. K. JOHNSTON, GENERAL SUPERVISOR

Supervisors

H. C. HOUSTON — B. E. HOWARD

A. YOUNG — R. M. VIRTUE (Winnipeg)

INSPECTORS' DEPARTMENT

A. L. OGDEN, CHIEF INSPECTOR

Inspectors

A. C. ROME — H. RILEY — P. W. PAIN — C. G. ROYDS — J. R. BUNN

BRANCHES

PROVINCE OF ONTARIO

TORONTO—		
KING & BAY STS. (HEAD OFFICE)	A. R. MARTIN	Manager
	J. S. PROCTOR	Assistant
	R. J. REDRUPP	"
ADELAIDE & VICTORIA STS.	C. G. GREEN	"
BATHURST & DUPONT STS.	A. W. BARLOW	"
BAY & TEMPERANCE STS.	E. J. CASE	"
BAYVIEW AVE., LEASIDE	G. WELFORD	"
BLOOR & BATHURST STS.	K. G. MIGHT	"
BLOOR & DURIE STS.	J. S. CARTER	"
BLOOR ST. & LANSDOWNE AVE.	R. R. BROWN	"
No. 78 CHURCH ST.	W. H. GREEN	"
CHURCH & CARLTON STS.	F. TURNER	"
DANFORTH & CARLAW AVES.	D. N. WRIGHT	"
DUNDAS & BLOOR STS.	S. S. JONES	"
DUNDAS & JARVIS STS.	A. T. SMITH	"
DUNDAS ST. & UNIVERSITY AVE.	J. W. THOMSON	"
DUNDAS & VICTORIA STS.	A. H. WEAVER	"
EGLINTON AVE. & MOUNT PLEASANT ROAD	B. B. VALE	"
EXHIBITION CAMP	D. N. JOHNSTON	Acting
KING & MARKET STS.	J. F. MacKAY	"

TORONTO—(Cont.)		
KING & SHERBOURNE STS.	H. E. BEMROSE	Manager
KING ST. & SPADINA AVE.	G. R. MURTON	"
KING & YORK STS.	E. H. ANDERSON	"
KINGSTON ROAD & BALSAM AVE.	J. B. ATKINS	"
LEASIDE	H. G. WATERS	"
MONARCH PARK & DANFORTH AVES.	H. T. BEATY	"
NEW TORONTO	P. E. THOMLINSON	"
OAKWOOD AVE. & ROGERS RD.	T. M. SUTTON	"
PAPE & SAMMON AVES.	W. M. RENWICK	"
QUEEN & BATHURST STS.	J. M. HOUSTON	"
QUEEN ST. & CARLAW AVE.	H. A. CROSS	"
QUEEN ST. & KINGSTON RD.	H. S. HADGRAFT	"
QUEEN ST. & RONCESVALLES AVE.	M. R. HAY	"
RUNNYMEDE & ANNETTE STS.	J. ANDERSON	"
ST. CLAIR & BOON AVES.	W. W. FIELD	"
ST. CLAIR AVE. & RUNNYMEDE RD.	F. W. CUMMINS	"
SILVERTHORN AVE. & ROGERS RD.	M. J. GOULD	"
WELLESLEY & SHERBOURNE STS.	H. G. SCOTT	"
WELLINGTON ST. & LEADER LANE	E. N. BATE	"
WEST TORONTO	W. E. CUSLER	"
WOODBINE & SAMMON AVES.	A. D. LEWIS	"
431 YONGE ST.	G. S. THOMPSON	"
1953 YONGE ST.	A. H. WILSON	"
YONGE & BLOOR STS.	J. B. PRIESTMAN	"
YONGE & QUEEN STS.	P. B. REEVE	"
AMHERSTBURG	W. A. PATTERSON	"
AURORA	H. M. McKENZIE	"
BEARDMORE	W. R. CUMMING	"
BOLTON	W. A. GREENWOOD	"
BRANTFORD	D. SUTHERLAND	"
CALEDON EAST	(Sub Branch to Bolton)	
CHATHAM	N. B. CUMMINS	"
COBALT	E. T. CUTTLE	"
COCHRANE	L. R. ANDERSON	"
COTTAM	A. E. MacGIRR	"
CRYSTAL BEACH	(Sub Branch to Ridgeway)	
DELHI	C. A. SIMPSON	"
ENGLEHART	R. E. TRACY	"
ESSEX	A. L. SONLEY	"
FERGUS	F. T. KYLE	"
FONTHILL	G. L. GORDON	"
FORT WILLIAM	W. M. PORTER	"
GALT	T. R. RICHARDSON	"
HAMILTON	W. H. COGHILL	"
HARROW	W. J. GOLDEN	"
HEARST	G. MENUZ	"
HUDSON	J. S. HARRISON	"
HUMBERSTONE	F. R. WILSON	"
INGERSOLL	T. R. JONES	"
JORDAN	(Sub Branch to Vineland)	
JORDAN STATION	(Sub Branch to Vineland)	
KAPUSKASING	C. A. KEHOE	"
KENORA	A. M. OWEN	"
KIRKLAND LAKE	C. L. GRISDALE	"
KITCHENER	D. G. P. FORBES	"
LANGTON	M. O. HURST	"
LARDER LAKE	A. I. McINTYRE	"
LISTOWEL	L. T. CHARLTON	"
LONDON	H. ROBARTS	"
MATACHEWAN	(Sub Branch to New Liskeard)	
MATHESON	J. BRAWLEY	"
NASHVILLE	(Sub Branch to Bolton)	
NEW LISKEARD	J. S. INK	"
NEWMARKET	F. H. HEWSON	"
NIAGARA FALLS	JOHN THOMSON	"
" QUEEN ST.	D. HUGHES	"
" SOUTH	J. H. ARKELL	"
" VICTORIA AVE.	J. A. GROSKURTH	"
NIAGARA-ON-THE-LAKE	R. H. MONTGOMERY	"
NOBLETON	(Sub Branch to Schomberg)	
NORTH BAY	M. G. COBURN	"
OTTAWA	J. WALKER	"
PALGRAVE	(Sub Branch to Bolton)	
PICKLE CROW	(Sub Branch to Sioux Lookout)	
PORT ARTHUR	J. W. WILLIS	"
PORT COLBORNE	W. R. RODGER	"
PRESTON	O. L. METLER	"
RED LAKE	H. B. HENDERSON	"

RICHARDS LANDING	J. T. BEWS	Manager
RIDGEWAY	C. A. HAMILTON	"
ST. CATHARINES	E. J. BAKER	"
" EAST END	F. B. THOMSON	"
" MARKET	A. F. ROBERTSON	"
ST. DAVIDS	A. T. MINNIS	"
ST. THOMAS, EAST END	J. R. HENLEY	"
" WEST END	M. A. RICHARDSON	"
SANDWICH	E. B. REYNOLDS	"
SAULT STE. MARIE	J. D. PATTERSON	"
" GORE & QUEEN STS.	R. B. WANSBROUGH	"
SCHOMBERG	E. SMITH	"
SIOUX LOOKOUT	A. FREESON	"
SOUTH PORCUPINE	F. E. COOPER	"
STAMFORD	C. W. GRIME	"
SUDBURY	W. G. CHAMBERS	"
THESSALON	W. McGUIRE	"
THOROLD	H. M. SAMPSON	"
TIMAGAMI	W. CALVERT	"
TIMMINS	H. C. SCARTH	"
VINELAND	E. H. COLEMAN	"
VIRGINIATOWN	A. E. BUTLER	"
WALKERVILLE	W. T. CARTHEW	"
" TECUMSEH ROAD	H. J. ARBUCKLE	"
WELLAND	F. C. TROTT	"
WINDSOR	G. J. LACKNER	"
WOODSTOCK	L. R. LLOYD	"

PROVINCE OF QUEBEC

BOURLAMAQUE	K. N. ALLAN	Manager
MONTREAL	A. R. B. HEARN	"
	E. J. FRIESEN	Assistant
NORANDA	G. C. DUNLOP	"

PROVINCE OF MANITOBA

BRANDON	J. BURGOYNE	Manager
GIMLI	(Sub Branch to Riverton)	
PORTAGE LA PRAIRIE	G. W. STERLING	"
RIVERTON	L. E. MAYNE	"
WINNIPEG	A. D. DUNCAN	"
" ARLINGTON ST. & WESTMINSTER AVE.	C. E. BROWN	"
" NORTH END	T. J. SLATTERY	"
" ST. VITAL	R. S. McCLAY	"

PROVINCE OF SASKATCHEWAN

ASSINIBOIA	J. E. JOHNSON	Manager
BALGONIE	R. D. FORRESTER	"
BENGOUGH	C. D. HARDY	"
BRACKEN	L. J. BERGMAN	"
BROADVIEW	R. MAVOR	"
CANWOOD	D. C. HOWELL	"
CODERRE	O. L. KIMBALL	"
FORT QU'APPELLE	H. WILLSON	"
HAGUE	L. F. FLURY	"
HEPBURN	J. B. SCHMOR	"
LAIRD	E. L. MEERES	"
MAYMONT	H. B. McLEISH	"
MEADOW LAKE	J. H. NELSON	"
MIDALE	R. L. WASSON	"
MOOSE JAW	A. S. ROSENROLL	"
MOSSBANK	J. GARRISON	"
PANGMAN	M. J. MONGEON	"
PIAPOT	L. L. MASON	"
PRINCE ALBERT	J. W. McDIARMID	"
REGINA	F. W. SCRIMES	"
ROCKGLEN	C. A. BLAD	"
ROSTHERN	P. C. F. ROUTLEDGE	"
SASKATOON	J. A. G. CLOKIE	"
SPRINGWATER	A. J. RICHES	"
STOUGHTON	H. I. SHAW	"
WEYBURN	P. R. NEELY	"
WILKIE	W. P. GRAHAM	"
YELLOW GRASS	E. G. BROWELL	"

PROVINCE OF ALBERTA

ATHABASCA	J. G. DEACON	Manager
BANFF	W. V. GODDARD	"
CALGARY	W. L. GILLILAND	"
" EAST END	J. S. W. CLOWES	"
DONALDA	MARK COOK	"
ECKVILLE	H. S. MANN	"
EDMONTON	J. A. WETMORE	"
	D. N. GRUBB	Assistant
" NORWOOD BOULEVARD	J. VEREKER	"
" SOUTH	J. M. KINNEAR	"
" WEST	H. W. HARRISON	"
EDSON	H. C. MacDONALD	"
FERINTOSH	J. MacGREGOR	"
GRANDE PRAIRIE	C. C. FAWCETT	"
JASPER	A. McKENZIE	"
MILLET	J. A. ENGLISH	"
NEW NORWAY	J. C. MOSS	"
RED DEER	J. BALLANTYNE	"
ROCKY MOUNTAIN HOUSE	S. G. HOOKER	"
SANGUDO	C. T. WALKER	"
SYLVAN LAKE	J. H. CLARK	"
WETASKIWIN	J. B. BLACK	"

PROVINCE OF BRITISH COLUMBIA

CRANBROOK	J. D. McGILLIVRAY	Manager
FERNIE	H. L. REID	"
GOLDEN	F. P. THOMAS	"
INVERMERE	A. ASHWORTH	"
NATAL	G. B. TURNER	"
NELSON	W. R. GRUBBE	"
REVELSTOKE	W. K. WICKENS	"
VANCOUVER	W. M. SELLENS	"
" FAIRVIEW	K. ANDERSON	"
" HASTINGS & ABBOTT STS.	C. G. T. HARCOURT	"
VICTORIA	J. H. D. BENSON	"

Imperial Bank of Canada

Principal Agents and Correspondents

EUROPE

GREAT BRITAIN AND IRELAND	Lloyds Bank Limited British Overseas Bank Limited District Bank Limited Commercial Bank of Scotland Limited Munster & Leinster Bank Limited Northern Bank Limited
BELGIUM	Lloyds & National Provincial Foreign Bank Limited
DENMARK	Kjöbenhavns Handelsbank
FINLAND	Kansallis Osake-Pankki
FRANCE	Lloyds & National Provincial Foreign Bank Limited Credit Lyonnais Comptoir National d'Escompte de Paris
GREECE	Ionian Bank, Limited
HOLLAND	Rotterdamsche Bankvereeniging N.V.
ITALY	Credito Italiano Banca Commerciale Italiana
JUGO-SLAVIA	Banque Franco-Serbe S.A.
NORWAY	Bergens Privatbank
PORTUGAL	Bank of London & South America Limited
ROUMANIA	Banca Commerciale Italiana e Romena
SPAIN	Bank of London & South America Limited International Banking Corporation
SWEDEN	Skandinaviska Banken Aktiebolag
SWITZERLAND	Lloyds & National Provincial Foreign Bank Limited Swiss Bank Corporation

ASIA

CHINA	Bank of China American Express Company Inc. Hongkong & Shanghai Banking Corporation Chase Bank National City Bank of New York

INDIA AND CEYLON	Lloyds Bank Limited Hongkong & Shanghai Banking Corporation Chartered Bank of India, Australia & China Imperial Bank of India National Bank of India, Limited
JAPAN	Hongkong & Shanghai Banking Corporation Yokohama Specie Bank Limited Chartered Bank of India, Australia & China
PALESTINE	Barclays Bank (Dominion, Colonial & Overseas)
PHILIPPINE ISLANDS	Bank of the Philippine Islands Hongkong & Shanghai Banking Corporation
STRAITS SETTLEMENTS	Hongkong & Shanghai Banking Corporation Chartered Bank of India, Australia & China

AFRICA

ALGERIA	Credit Lyonnais
BRITISH EAST AFRICA	Standard Bank of South Africa Limited Barclays Bank (Dominion, Colonial & Overseas)
BRITISH WEST AFRICA	Bank of British West Africa Limited
EGYPT	Barclays Bank (Dominion, Colonial & Overseas) Credit Lyonnais
PORTUGUESE EAST AFRICA	Standard Bank of South Africa Limited Barclays Bank (Dominion, Colonial & Overseas)
RHODESIA	Standard Bank of South Africa Limited
SOUTH AFRICA	Standard Bank of South Africa Limited Barclays Bank (Dominion, Colonial & Overseas)
SOUTH WEST AFRICA	Standard Bank of South Africa Limited Barclays Bank (Dominion, Colonial & Overseas)

AMERICA

UNITED STATES	NEW YORK—BANK OF THE MANHATTAN COMPANY Chase National Bank Guaranty Trust Company of New York Irving Trust Company National City Bank of New York
	BOSTON—First National Bank of Boston National Shawmut Bank of Boston
	BUFFALO—Marine Trust Company of Buffalo
	CHICAGO—Continental Illinois National Bank & Trust Company First National Bank of Chicago
	CLEVELAND—National City Bank of Cleveland

UNITED STATES—(Contd.)	
	DETROIT—Manufacturers National Bank of Detroit National Bank of Detroit
	DULUTH—First & American National Bank
	LOS ANGELES—Citizens National Trust & Savings Bank Bank of America N. T. & S. A.
	MINNEAPOLIS—First National Bank & Trust Company
	NIAGARA FALLS, N.Y.—Power City Trust Company
	PHILADELPHIA—Philadelphia National Bank First National Bank
	PORTLAND, ORE.—United States National Bank
	ROCHESTER, N.Y.—Lincoln-Alliance Bank & Trust Company
	SAN FRANCISCO—Wells Fargo Bank & Union Trust Company
	SEATTLE—Seattle-First National Bank
	SPOKANE—Seattle-First National Bank
MEXICO	Banco Nacional de Mexico
BERMUDA	Bank of N. T. Butterfield & Son Limited Bank of Bermuda Limited
WEST INDIES	Barclays Bank (Dominion, Colonial & Overseas)
CENTRAL AMERICA	Bank of London & South America Limited National City Bank of New York
CUBA	First National Bank of Boston National City Bank of New York
SOUTH AMERICA	Bank of London & South America Limited First National Bank of Boston
	AUSTRALASIA
AUSTRALIA AND NEW ZEALAND	Bank of New South Wales Commercial Bank of Australia Limited Bank of Adelaide Bank of Australasia Union Bank of Australia Limited National Bank of Australasia Limited Bank of New Zealand
HAWAII	Bank of Hawaii

Imperial Bank of Canada

PROCEEDINGS

OF THE

SIXTY-FIFTH ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Sixty-fifth Annual General Meeting of Imperial Bank of Canada was held at the Head Office of the Bank in Toronto, on Wednesday, 22nd November, 1939, at 2.30 p.m.

Among those present were:—Col. G. H. Aikins, K.C. (Winnipeg), Wm. J. Aitchison (Hamilton), E. N. Bate, A. M. Bethune, Arthur L. Bishop, G. E. H. Booth, Colin Campbell, A. R. Capreol, E. J. Case, Blain Cherry, John Chinn, R. S. Clark, C. Gordon Cockshutt (Brantford), H. F. Crosthwaite (Hamilton), George C. Deeks, Sydney H. B. Grasett, John Hadden, L. A. Hamilton, Frank A. Harrison, G. C. Heintzman, J. W. Hobbs, H. C. Houston, George W. Howland (London, England), H. G. Hutcheson (Port Perry), H. T. Jaffray, Raymond E. Jones (New York), W. C. Laidlaw, Col. K. R. Marshall, A. R. Martin, Col. J. F. Michie, W. G. More, W. P. Morse, R. O. McCulloch (Galt), W. L. McDonald, Allan McPherson (Orillia), John A. Northway, A. L. Ogden, Gordon A. Peters, A. E. Phipps, G. D. Ritchie, Frank A. Rolph, A. C. Rome, A. H. Seguin, H. E. Sellers (Winnipeg), Walter C. Shier, M.D. (Uxbridge),

Charles Swabey, K.C., H. Frank Vigeon, R. S. Waldie, John Watt, E. R. Wigle (Goderich) and W. B. Woods.

The Chair was taken by the President, Mr. A. E. Phipps, and Mr. John Hadden was appointed to act as Secretary. Messrs. Charles Swabey, K.C., and A. H. Seguin were appointed Scrutineers.

The notice calling the meeting was read by the Secretary, and the Minutes of the last Annual General Meeting were taken as read and were confirmed.

The Directors' Report and Auditors' Report to the Shareholders were read by the Secretary.

REPORT

The Directors have pleasure in presenting the Sixty-fifth Annual Report and Balance Sheet of the business and affairs of the Bank as on 31st October, 1939, together with Statement of Profit and Loss Account showing the result of the operations for the year.

After providing for		
Dominion and Provincial Taxes of	$325,884.67	
and Contributions to Staff Pension and Guarantee Funds of	99,689.21	
and after making appropriations to Contingent Accounts, out of which accounts full provision for bad and doubtful debts has been made,		
the Profits for the year ended 31st October, 1939, were		$966,258.53
Dividends were paid at the rate of 10% per annum		700,000.00
leaving		$266,258.53
Out of this amount there was		
Written off Bank Premises.	$100,000.00	
and Reserved for Contingencies	150,000.00	
		250,000.00
leaving a Balance of Profits of		$ 16,258.53
to carry forward and add to the Profit and Loss Balance on 31st October, 1938, of		649,375.51
making the Profit and Loss Balance on 31st October, 1939		$665,634.04

During the year Branches of the Bank were opened at Pickle Crow, Central Patricia, Timagami, and Exhibition Camp, Toronto, all in the Province of Ontario.

Branches of the Bank at Pickle Crow Landing in the

Province of Ontario, Rouyn in the Province of Quebec and Handel in the Province of Saskatchewan were closed.

All offices of the Bank including the Head Office have, in accordance with the invariable custom, been carefully inspected during the year and the Auditors appointed by you have also made their examinations as required by The Bank Act. Their Report and Certificate is attached to the Balance Sheet.

It again affords your Directors much pleasure to record their high appreciation of the efficient manner in which the various officers of the Bank continue to discharge their respective duties.

All of which is respectfully submitted.

A. E. PHIPPS,
President.

Toronto, 21st November, 1939.

PROFIT AND LOSS ACCOUNT

31st OCTOBER, 1939

Profits for the year ended 31st October, 1939, after providing for		
Dominion and Provincial Taxes..	$325,884.67	
Staff Pension and Guarantee Funds.....	99,689.21	
and after making appropriations to contingent accounts, out of which accounts full provision for bad and doubtful debts has been made.....		$966,258.53
Dividends at the rate of 10% per annum.....		700,000.00
		$266,258.53
Written off Bank Premises.....	$100,000.00	
Reserved for contingencies.....	150,000.00	
		250,000.00
Balance of Profits carried forward.....		$ 16,258.53
Profit and Loss Balance 31st October, 1938.....		649,375.51
Profit and Loss Balance 31st October, 1939.....		$665,634.04

RESERVE FUND

Balance at Credit of Account 31st October, 1939.....	$8,000,000.00

A. E. PHIPPS,
President.

H. T. JAFFRAY,
General Manager.

SIXTY-FIFTH ANNUAL

31st October

LIABILITIES

Notes in Circulation		$ 5,307,515.00
Deposits by and balances due to Dominion Government	$12,006,061.83	
Deposits by and balances due to Provincial Governments	10,327,135.83	
Deposits by the public not bearing interest	39,783,818.36	
Deposits by the public bearing interest, including interest accrued to date of Statement	99,453,736.06	
		161,570,752.08
Deposits by and balances due to other Chartered Banks in Canada	$ 1,023,200.24	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	2,864,565.73	
		3,887,765.97
		$170,766,033.05
Acceptances and Letters of Credit Outstanding		1,351,836.05
Capital Paid Up	$ 7,000,000.00	
Reserve Fund	8,000,000.00	
Dividends declared and unpaid	176,326.36	
Balance of Profits as per Profit and Loss Account	665,634.04	
		15,841,960.40
		$187,959,829.50

AUDITORS' REPORT TO SHAREHOLDERS:

We report to the Shareholders of the Imperial Bank of Canada:—

That we have examined the above Balance Sheet as at 31st October, 1939, and compared it with the books at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank, and is as shown by the books of the Bank.

A. B. Shepherd, F.C.A.
of Peat, Marwick, Mitchell & Co.

D. McK. McClelland, F.C.A.
of Price, Waterhouse & Co.

Toronto, 14th November, 1939.

BALANCE SHEET

1939

ASSETS

Gold held in Canada	$ 746.18	
Subsidiary Coin held in Canada	316,578.69	
Notes of Bank of Canada $5,267,915.00		
Deposits with Bank of Canada 9,123,625.89		
	14,391,540.89	
Notes of other Chartered Banks	317,400.00	
Government and Bank Notes other than Canadian	55,227.74	
		$ 15,081,493.50
Deposit with the Minister of Finance for the security of note circulation		273,843.10
Cheques on other Banks		7,265,789.76
Deposits with and balances due by other Chartered Banks in Canada		629,759.57
Due by Banks and Banking Correspondents elsewhere than in Canada		3,234,975.57
		$ 26,485,861.50
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	$26,128,054.74	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value	43,848,582.77	
Canadian Municipal Securities, not exceeding market value	6,196,598.73	
Other Bonds, Debentures and Stocks, not exceeding market value	35,863.59	
		76,209,099.83
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	$ 5,200,024.50	
Loans to Provincial Governments	587,928.43	
Loans to Cities, Towns, Municipalities and School Districts	7,393,783.82	
		13,181,736.75
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for		64,080,745.51
Non-current Loans, estimated loss provided for		250,243.56
Real Estate other than Bank Premises		143,084.64
Mortgages on Real Estate sold by the Bank		340,867.88
Bank Premises, at not more than cost, less amounts, if any, written off		5,850,776.60
Liabilities of Customers under Acceptances and Letters of Credit as per contra		1,351,836.05
Other Assets not included under the foregoing heads		65,577.18
		$187,959,829.50

A. E. PHIPPS,
President.

H. T. JAFFRAY,
General Manager.

THE GENERAL MANAGER'S ADDRESS

At our Annual Meeting last year I made reference to the restricting effect which the unsettled conditions in Europe had had on business activity during the preceding year. This situation continued almost without interruption for the first ten months of the Bank's current year culminating at the beginning of September in the War in which we, with other parts of the British Empire, are now involved. This condition did not lend itself to increased earnings and consequently the Management is glad to be able to report to you profits of $966,258.53, the amount being $4,915.74 greater than the profits shown a year ago. From these profits the usual dividend of $10.00 per share amounting to $700,000., or 4.8% on combined Capital and Reserve, has been paid, and the same deductions as last year, namely $100,000. off Bank Premises and $150,000. transferred to Reserves against unforeseen Contingencies have been made, leaving a balance of $16,258.53 carried forward, and making the total of our Profit and Loss Account $665,634.04 as compared with $649,375.51 on October 31st, 1938. We hope you will consider the showing satisfactory.

Turning to the Balance Sheet and taking the liabilities in order—

Notes in Circulation amounted on Oct. 31, 1939, to $5,307,515. a decrease of $266,298. during the year. The limit of our Circulation is now fixed at $5,600,000. and will reduce to $5,250,000. as on 1st of January next.

DEPOSITS

Deposits by the Public, by the Dominion of Canada and by Provincial Governments now total $161,570,752. as compared with $141,563,276. a year ago, an increase of $20,007,476. of which approximately $10,170,000. is in the balance due to the Dominion Government, $1,888,000. in balances due to Provincial Governments, $3,699,000. in deposits by the Public not bearing interest and $4,250,000. in deposits by the Public bearing interest. Balances due to Agents in Canada and Abroad total $3,887,765., an increase of $510,000. as compared with last year. In my remarks a year ago I was able to state that deposits as on October 31, 1938, had reached the high point of all time in the history of the

Bank. I am glad to be able to repeat this statement as applied to October 31, 1939. These figures make a total of liabilities to the Public of $170,766,033. as compared with $150,514,062., an increase for the year of $20,251,971.

ASSETS

Turning to the Assets—our Cash Holdings including deposit with the Bank of Canada, and balances due from and cheques on other Banks total $26,485,861.—an amount $516,000. less than a year ago, and equalling 15.5% of our total liabilities to the Public as compared with 17.8% last year when you will perhaps remember I pointed out that I considered our Cash Reserves unnecessarily high.

SECURITIES

Total Dominion and Provincial Securities maturing within the next two years amount to $26,128,054. as compared with $16,048,031. a year ago,—an increase of $10,080,-023., and constituting a further reserve of over 15% against our total liabilities. Included in the amount is a substantial holding of Dominion of Canada Treasury Bills all maturing within 90 days. Dominion of Canada and Provincial direct and guaranteed securities not exceeding market value and maturing over two years hence total $43,848,582. as compared with $33,458,273. last year,—an increase of $10,390,-309. I might tell you that of this total nearly 50% matures in the period between 2 and 5 years hence. Municipal securities at not more than market value total $6,196,598. compared with $5,071,147. a year ago, a moderate increase of $1,125,000., and making our total holdings of Dominion, Provincial and Municipal securities, including a small amount $35,863., of other bonds, debentures and stocks, $76,209,099. an increase of $21,581,998. over last year's figures of $54,627,101. I would point out that of this increase approximately 50% is in Dominion and Provincial securities, including Treasury Bills maturing within the next two years.

I think you will agree that your Bank is in a liquid condition which will enable it to meet the requirements of its customers, do its part in any call that may be made upon it in furthering the War, and handle such new business as will come its way.

CALL LOANS

Call Loans at $5,200,024. again show a contraction of $254,357. from the figure of $5,454,381. given you a year ago. This contraction is, I think, moderate in view of Stock Market conditions.

Loans to Provincial Governments at $587,928. show a substantial reduction from the figure of $6,354,077. at which they stood last year. This reduction is not due to loss of any business, but to the repayment of certain special transactions.

Loans to Cities, Towns, Municipalities and School Districts now stand at $7,393,783. as compared with $7,857,-618. last year—an ordinary fluctuation due to better collections.

Coming down to the item of Current Loans and Discounts in Canada, I am once more glad to report to you that these show a substantial increase, the total being $64,080,745. as compared with $58,274,754. a year ago,—an increase of $5,805,991.—or nearly 10%. To a considerable extent this increase is the result of a much larger crop harvested in Western Canada and to the increased activity in various lines of business following the declaration of War.

BANK PREMISES

During the past year new premises were erected at South Porcupine, Ont., and our premises at St. Thomas West End branch were purchased.

You will note from the Profit and Loss Account that $100,000. has again been written off our Bank Premises, and the total now stands at $5,850,776. as compared with $5,946,044. The other items on our Balance Sheet, namely—Non-Current Loans, Real Estate other than Bank Premises, Mortgages on Real Estate Sold by the Bank, and Other Assets all stand at moderate amounts,—the total of the four amounting to $799,771. as compared with $924,210. last year.

As is customary we have received from all our branches special reports on business conditions in their respective localities as at the present time. I am glad to be able to advise you that these are uniformly satisfactory and indicate

a substantial improvement, the only industry where improvement still is slow is in construction. Crops, as you know, have been good throughout Ontario and particularly in the West; Industries are busy; unemployment is reduced; our Mines show increased production and woods operations are on a larger scale than last year. This situation is, of course, in a measure being brought about by war activities but it is my opinion that the movement was on the way before the outbreak of hostilities. In connection with our increased business activities it is only fitting to note that as a result of the War these activities are being more and more controlled and regulated. We are fully prepared to accept this as a necessity in the best interests of the country, and to co-operate whole-heartedly in the carrying out of these regulations, but perhaps it might not be out of place to express the hope that when their necessity has passed our Governments will not forget that within the limitations of the law it is the inherent right of every individual to manage his own affairs.

BRANCHES

Branches of the Bank now number 195 as compared with 194 a year ago. New Branches have been opened at Pickle Crow, Central Patricia, Timagami and the Exhibition Camp, Toronto—all in the Province of Ontario, and Branches have been closed during the year at Pickle Crow Landing, Ont., Rouyn, Que., and Handel, Sask.

SHAREHOLDERS

Shareholders of the Bank now number 2,711 as compared with 2,685 a year ago. The shares held by residents of the United States total 6,635 divided among 321 shareholders as compared with 6,887 divided among 320 shareholders on October 31st, 1938.

STAFF

The Staff of the Bank now total 1,417 as compared with 1,432 a year ago. In addition we have 20 members of the Staff who have enlisted, absent on indefinite leave of absence, positions being assured to them on their return. I wish to take the opportunity of recording my appreciation of the manner in which every member has whole-heartedly supported the interests of the Bank and the efforts of the

Management during the past year. I believe we have a staff second to none in Canada.

In closing I would like to again express my appreciation of the support and assistance that I have received during the past year from your President. He spends his full time in the interests of the Bank and to his judgment and advice results of the past year are in no small measure attributable. Also it is again my privilege to record the help that has been afforded to the Management by the Chairman of the Board, the Vice-Presidents and every member of the Board of Directors.

THE PRESIDENT'S ADDRESS

The Secretary has just read to you the Profit and Loss Statement and General Balance Sheet for the year ended October 31st last and the General Manager has very clearly and painstakingly explained the various items and dealt with the Bank's position which I think you will agree with me continues to be entirely satisfactory and showing healthy and substantial growth from year to year.

Since early in September the British Empire has been at War with Germany and it may be interesting and profitable in commencing these remarks to touch briefly on the business condition in which the Bank in particular and Canada as a whole find themselves compared with their positions at the outbreak of the World War of twenty-five years ago.

I have with me the Annual Balance Sheet of the Bank dated 30th April, 1915, the first published balance sheet after the outbreak of the World War. It informs me that at that time the total assets of the Bank were $75,000,000. compared with $187,000,000. at the present time. We then had current account deposits of less than $8,000,000. as against $39,000,000. now; our total deposits are now $161,-000,000. as against $55,000,000. then. Among the assets of the Bank the changes are no less remarkable. Leaving aside the usual items of Cash Reserves, which are proportionate, the current and other loans which were then $48,000,000. now approximate $80,000,000. The holdings of Dominion and Provincial Government securities in April 1915 amounted to $666,000. compared with $70,000,000. in October 1939 while the total portfolio of the Bank is now upwards of $77,000,000. compared with a mere $2,664,000. in 1915, remarkable evidence of the change which has taken place over the past quarter of a century. When we look at the Profit and Loss Statements a different picture is presented. In 1915 with only 40 per cent of the assets we have to-day the profits were $1,031,000. for the year while now we report just under $1,000,000. Dividends were 12% then, 10% now. I may add that these changes do not appear to be different from the changes that have occurred in the affairs of other Canadian Chartered Banks during the period. Modern conditions and keen competition coupled with the lower returns obtained on bonds in comparison with current loans are responsible for the reduction in the gross earnings, while higher expenses by way of increased salaries required by the

improved standard of living coupled with heavy taxation of Banks which in 1914-15 was practically non-existent and this year in our case amount to $325,000. (not including real estate and property taxes) have heavily affected the net. In 1915 the Bank had 125 Branches of which 17 were in Toronto. Now we have 195 of which 43 are in Toronto and 22 in Northern Ontario and Quebec, a new field developed in the last 25 years. In 1915 our only Branches in the North were at Cobalt, Timmins, and New Liskeard.

When we examine the financial and business changes in the whole of the Dominion of Canada the findings are no less remarkable. Quoting from a very interesting pamphlet prepared by the Toronto house of Wood, Gundy & Co. Ltd. recently, we find the following:—

	1914	1939	Approx. Percentage Increase
Total Exports	$ 455,000,000	$ 969,000,000	113%
Manufacturing	1,407,000,000	3,623,000,000	157%
Gold Production	27,000,000	166,000,000	514%
Copper, Lead and Zinc Production	12,000,000	84,000,000	600%
Nickel Production	14,000,000	54,000,000	285%
Chartered Bank Deposits in Canada (Savings plus Demand)	1,003,000,000	2,407,000,000	140%
Assets Canadian Life Insurance Companies in Canada	258,000,000	2,250,000,000	773%
Hydraulic Turbine Horsepower installed.	2,000,000 h.p.	8,000,000 h.p.	300%

The outstanding features of these statistics are gold production up from $27,000,000. to $166,000.000., an increase of 514%; Copper, Lead and Zinc increase 600%; Nickel production increase 285%. Canada's total exports in the period you will note have more than doubled from $455,000,-000. to $969,000,000.; population during the 25 years increased from 8,000,000 to 11,000,000 or 42%. Of course no reference is made in these figures to the other side of the picture, i.e. the increase in public debt and taxes, which I shall not go into here, but if the figures I have quoted you mean anything they mean that Canada is in a vastly better position than she was at the start of the last War. Let us all hope that her effort will be sustained and will be of real assistance to the Empire in winning the War, which we must and will do.

PRESENT CONDITIONS IN CANADA

Production—Substantial improvement in Canadian economic conditions has occurred in 1939. The betterment over the preceding year was unmistakable during the first eight months and the outbreak of hostilities has served to speed up the process. War conditions will not only require but probably will make possible the full utilization of manpower and equipment. The urgent demands in Canada and in allied countries for supplies of different kinds will provide that impetus to expansion of production and capital investment which has been relatively slack in recent years. The mining industry is destined to play an important part in providing raw materials for war industries. The heavy exports of copper, nickel and zinc during the first two months of this conflict demonstrates the important assistance the industry is rendering to the allied cause. The output of gold is also greater due in part to the development of new mines and the importance of our gold resources will become more and more evident as the War progresses.

AGRICULTURE

Betterment has been marked in the position of primary producers during 1939. Crops on the whole have been more bountiful and the return to the farmer will be far in excess of last year. The wheat crop at 478 million bushels is nearly double that of 1938, the production of oats greater than a year ago while hay and barley were lower. Fodder crops are well distributed and there is no indication of a shortage. Dairy production is well maintained. The butter output is estimated at 215.6 million pounds in the first nine months against 217.5 million pounds, while cheese production has increased from 96.8 million pounds to 100.9 million.

Another crop of recent importance, to Ontario particularly, is tobacco, the output of which for 1938 was 98,427,000 pounds valued at $19,563,000. with an estimated output of 85,000,000 pounds valued at about $16,000,000. for 1939. In the districts where tobacco is produced it is found a most remunerative crop for the farmer.

FORESTRY

The forestry industries are in the vanguard of the recovery movement increasing their production by about 19 per cent. The output of newsprint has risen sharply and the present

price plus the premium on American exchange are factors in placing the industry on a much more satisfactory footing. The lumber industry has been stimulated to the greatest activity since 1929 by an external demand, nearly 31 per cent more than the preceding year. Timber scaled in British Columbia is about 2.3 billion board feet to August 31st, a gain of 40 per cent over the same months of 1938. At the moment it looks as though the British Columbia off-shore lumber industry might be handicapped by lack of ships.

FISH AND FURS

The sea fisheries have been more productive in the portion of 1939 for which information is available. The sale of Canada's product of the fisheries abroad amounted to $19,000,000. in the nine months. Canned fish recorded a modest gain while dried fish showed a recession. Measured by the export trade the fur industry has been maintained in 1939. The outward shipment of furs is valued at $11,000,000. against $11,700,000. in the same period of 1938.

MANUFACTURING

Recovery in industrial activity was demonstrated after the early months of the year. Operations in recent months are comparable with the high levels of 1929 and 1937. The primary iron and steel industry has operated on an accelerated scale in recent months, the output of steel showing a gain of nearly 3 per cent in the first nine months. The production of tin plate and black sheets is also becoming an important item with the rolling mills, particularly at Sault Ste. Marie where a new tin plate mill is in full production. The manufacture of motor vehicles is an important industry presenting an excellent barometer of purchasing power. The growth in the use of automobiles in Canada has been very rapid during the last twenty years. The number of registrations increased from 409,000 in 1920 to 1,395,000 in 1938, a total which is exceeded only by the United States, United Kingdom, France and Germany.

Flour milling is one of the basic natural industries and the capacity is far in excess of Canada's demands. Production during the first eight months was 9,300,000 barrels, of which 3,000,000 barrels were exported against a production of 7,500,000 barrels in the same period of the preceding year,

a gain of no less than 23.4 per cent. With an increased demand at home and abroad for flour due to war operations the Canadian milling industries should be greatly stimulated.

CONSTRUCTION

Construction records for 1939 record some betterment over 1938. Contemplated new construction reported for the first time is nearly $272 million in the first nine months against $232 million, suggesting increased momentum. A feature which continues to be of great assistance is the Home Improvement Loan plan. I am informed that since its introduction, November 1st, 1936, to October 31st, 1939, no less than 91,397 loans have been made with an aggregate of $37,065,729. with generally beneficial results.

RAILWAYS

The movement of one of our largest wheat crops to the Atlantic seaboard and the accelerated traffic in industrial materials due to war participation indicate that brighter prospects are at hand for the railways. In anticipation of the greater traffic requirements, orders on behalf of the two main railways were placed recently for equipment amounting to $25 million.

BONDS AND STOCK MARKET

Dominion bonds recovered in October following the drastic decline occasioned by the commencement of hostilities. New issues of bonds of different descriptions sold during the first nine months amounted to $1,032 million, nearly 25 per cent more than in the preceding year, Dominion financing accounting for about 60 per cent of the whole.

Since the outbreak of the War the Dominion Government have floated with the Banks an issue of $200,000,000. of short term bonds, half of which was used for refunding an English maturity, and it is expected that a further substantial issue will be made to the public later on.

The condition of the stock market does not call for much comment. Throughout most of the year it was very depressed and trading was at a minimum. The interesting feature is the rise in recent weeks brought about by the conditions in Europe in contrast with the unsatisfactory developments in the stock markets of the world following

the outbreak of the last War. To endeavor to in any way anticipate the future course of the stock market would be impossible.

PUBLIC FINANCE

In a special War Budget presented to the House of Commons a revised estimate of total expenditures and receipts for the current fiscal year ending March 31st, 1940, was tabled. Through upward revisions in customs, excise, sales taxes, and income taxes the Minister hopes to raise an extra $40,000,000. during the period, leaving an anticipated deficit of nearly $100,000,000. for the year. It is stated that as far as possible a pay-as-you-go policy has been adopted, but as I have remarked $200,000,000. has already been borrowed with further substantial loans in the offing which indicates that the War financing will for the present tax the efforts of the Dominion to produce money both by taxation of the severest kind as well as heavy demands on the savings of the people. On the other hand, there may be some relief in diminution of the sums required for wheat bonuses, railway losses, unemployment relief, and similar expenditures which of late years have taken heavy toll of the revenues of the country.

BANKING

The growth in banking figures has been noteworthy. According to the Government Return at the end of September quick assets of the chartered Banks have risen during the twelve months by over $142,000,000. to $1,772,000,000., the principal gains being in holdings of Government securities. Total loans and other securities advanced from $1,461,000,000. to $1,541,000,000., the feature being an increase of $62,000,000. in current loans. The grand total of all security holdings of all the chartered Banks rose in the twelve months to the unprecedented figure of $1,500,000,000. The grand total of assets is now $3,605,000,000. compared with $3,400,000,000. a year ago.

A noteworthy feature of the banking situation is the increased activities of the Bank of Canada, principally in connection with the formation of the Foreign Exchange Control Board by the Government of the Dominion of Canada. It was, of course, highly desirable and necessary that the flight of capital from Canada should be prevented

immediately upon the outbreak of War and it is to the credit of the Bank of Canada that regulations were so promptly defined and put into operation. The Foreign Exchange Control Board is functioning smoothly with a minimum of inconvenience to those having business abroad and appears to have accomplished its objective in curtailing exports of capital to an absolute minimum and then only for absolutely necessary purposes.

GENERAL CONDITIONS

It has been customary to add paragraphs dealing with the present and future conditions in the United Kingdom, in the United States, and World conditions generally. You will realize that any such attempted analysis would be presumptuous and probably valueless at the present time. I might devote a few words to the future effect of the War upon the financial affairs of Canada as I see them. There seems to be no doubt but that the immediate effect will be much greater activity and therefore more profit. The prices of primary commodities and manufactured goods have already shown indication of rising while the swinging into action of manufacturing and business of all kinds is taking place rapidly. This activity should continue for the duration of the War. It might be expected that a period of depression and low prices will follow upon the cessation of hostilities and no doubt that will be the immediate effect of the termination of the War, but I am optimistic as to the future of the country and do not fear any great calamity either in the near or distant future, and at the end of the War after the first depressing effects on industry are over I would look for a rapid and permanent development of our natural resources and trade. We still have our enormous natural resources, agriculture, timber, fisheries, minerals, and immense potential supplies of electric energy and with these resources backed by a strong virile, well educated and intelligent population such as Canada possesses the future cannot but be one of promise and progress.

Before sitting down perhaps I should mention that you will be asked at this meeting to approve of a motion to authorize contributions being made by the Bank for patriotic purposes during the duration of the War. This will enable your Directors to contribute to organizations such as the Canadian Red Cross Society. I am sure you will have no hesitation in giving such approval.

I now beg to move, and will ask Col. J. F. Michie, Vice-President, to second, that the Report which has been read be adopted, printed and circulated amongst the Shareholders.

COL. J. F. MICHIE: I have pleasure in seconding the motion.

The Report was then unanimously adopted.

It was moved by Mr. Sydney H. B. Grasett, seconded by Mr. E. R. Wigle, and resolved:—

That A. B. Shepherd, F.C.A., of Peat, Marwick, Mitchell and Company, and W. D. Glendinning, C.A., of Glendinning, Gray and Roberts, be appointed Auditors of the Bank for the ensuing year at a remuneration not to exceed $10,000.

It was moved by the President, seconded by Vice-President Mr. Waldie, and resolved:—

That the Directors be authorized during the period of the War to make such contributions as they deem fit out of the funds of the Bank for patriotic purposes.

It was moved by Mr. Frank A. Harrison, seconded by Mr. Colin Campbell, and resolved:—

That the thanks of the Shareholders are due and are hereby tendered to the Chairman of the Board, the President, the Vice-Presidents and Directors for their able and careful management of the Bank's affairs and to the General Manager, the Assistant General Managers and other officers of the Bank for their valuable services during the past year.

Mr. Frank A. Rolph and Mr. H. T. Jaffray expressed their appreciation on behalf of the Directors and Staff respectively.

It was moved by Mr. H. Frank Vigeon, seconded by Mr. Harvey F. Crosthwaite, and resolved:—

That the Ballot Box be now opened for the receipt of ballot papers for the election of fifteen Directors, the poll to close as soon as two minutes shall have elapsed without a vote being tendered.

The Scrutineers subsequently reported the following to have been duly elected Directors for the ensuing year:—

Frank A. Rolph, A. E. Phipps, Col. J. F. Michie, R. S. Waldie, George C. Heintzman, J. W. Hobbs, Walter C. Laidlaw, John A. Northway, G. H. Aikins, K.C., H. E. Sellers, R. O. McCulloch, W. B. Woods, Arthur L. Bishop, E. E. Buckerfield, and C. Gordon Cockshutt.

The meeting then adjourned.

Imperial Bank of Canada

FOREIGN EXCHANGE CONTROL

WE invite enquiries regarding your problems under the operations of the Foreign Exchange Control Board.

Information will be gladly furnished by Branch Managers or by the

BRITISH & FOREIGN DEPARTMENT

HEAD OFFICE:

TORONTO

H. D. SCOTT,
Superintendent of Foreign Business

Invest Through Our Head Office

WHEN you are seeking sound investments consult the Manager of any Branch of this Bank.

Through the Bank's own Bond Department at Head Office our Managers are kept in constant touch with the investment market.

This service assures you of careful, conservative selection of the highest grade securities.

Imperial Bank of Canada

HEAD OFFICE:

TORONTO

Capital and Reserve $15,000,000